THE PROVINCE OF
NEWFOUNDLAND,
CANADA

DEPARTMENT OF FISHERIES

ANNUAL REPORT
1984

HONOURABLE T. RIDEOUT
Minister of Fisheries

GOVERNMENT OF NEWFOUNDLAND AND LABRADOR
DEPARTMENT OF FISHERIES

120-7-1

OFFICE OF THE DEPUTY MINISTER

ST. JOHN'S, NFLD.
A1C 5T7

December 20, 1985

Honourable Tom Rideout
Minister
Department of Fisheries

Mr. Minister:

I have the honour to present the Annual Report of the Department of Fisheries for the period April 1, 1984 to March 31, 1985.

Respectfully submitted,

R.A. (Ray) Andrews
Deputy Minister
Department of Fisheries

TELEPHONE (709) 737-3707

TELEX 016-4732

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I INTRODUCTION

Government of Newfoundland and Labrador Policy Objectives for the Fisheries Sector.

- to acquire a greater degree of provincial control in the area of fisheries management;

- to ensure that access to fish stocks is accorded primarily to those regions which have a historic dependence on them;

- to reduce the seasonality of the inshore fishery;

- to develop the harvesting sector as a profitable and commercially viable entity in its own right;

- to develop within Newfoundland and Labrador a leading Canadian role in fisheries technology;

- to develop a competitive and commercially viable processing sector and to increase income and employment through further processing;

- to pursue with the private sector and the Federal Government a comprehensive marketing strategy to accommodate projected catch levels with special reference given to quality control considerations;

- to mobilize training facilities and programs as a means of increasing harvesting and processing efficiency and ensuring adequate standards of safety at sea.

These objectives reflect the critical role which the fisheries play in the Newfoundland economy. For example, there are currently about 11,000 fishermen engaged in the harvesting sector on an exclusive occupational basis with some 1,200 employed in the offshore fishery and

the remainder in the inshore fishery. In addition, approximately 10,000 fishermen are registered as part-time participants. The processing sector provided approximately 9,700 man-years of employment in 1984, with approximately 5,000 individuals employed year-round in the offshore-supplied processing plants.

These objectives are being achieved through the implementation of policies and programs which are described in this Report.

II. ORGANIZATION

The Department of Fisheries is divided into three Branches, all reporting to the Deputy Minister. It also includes the Fisheries Loan Board and the Fishing Industry Advisory Board, both of which report to the Minister of Fisheries. (see Organization Chart)

In 1984, the Department underwent a reorganization and, as a result, increased emphasis was given to the establishment of a stronger planning capability within the Department and to the establishment of a new responsibility which could respond to the Province's constitutional responsibility over fish processing sector developments.

There were several ministerial and executive appointments made during the year:

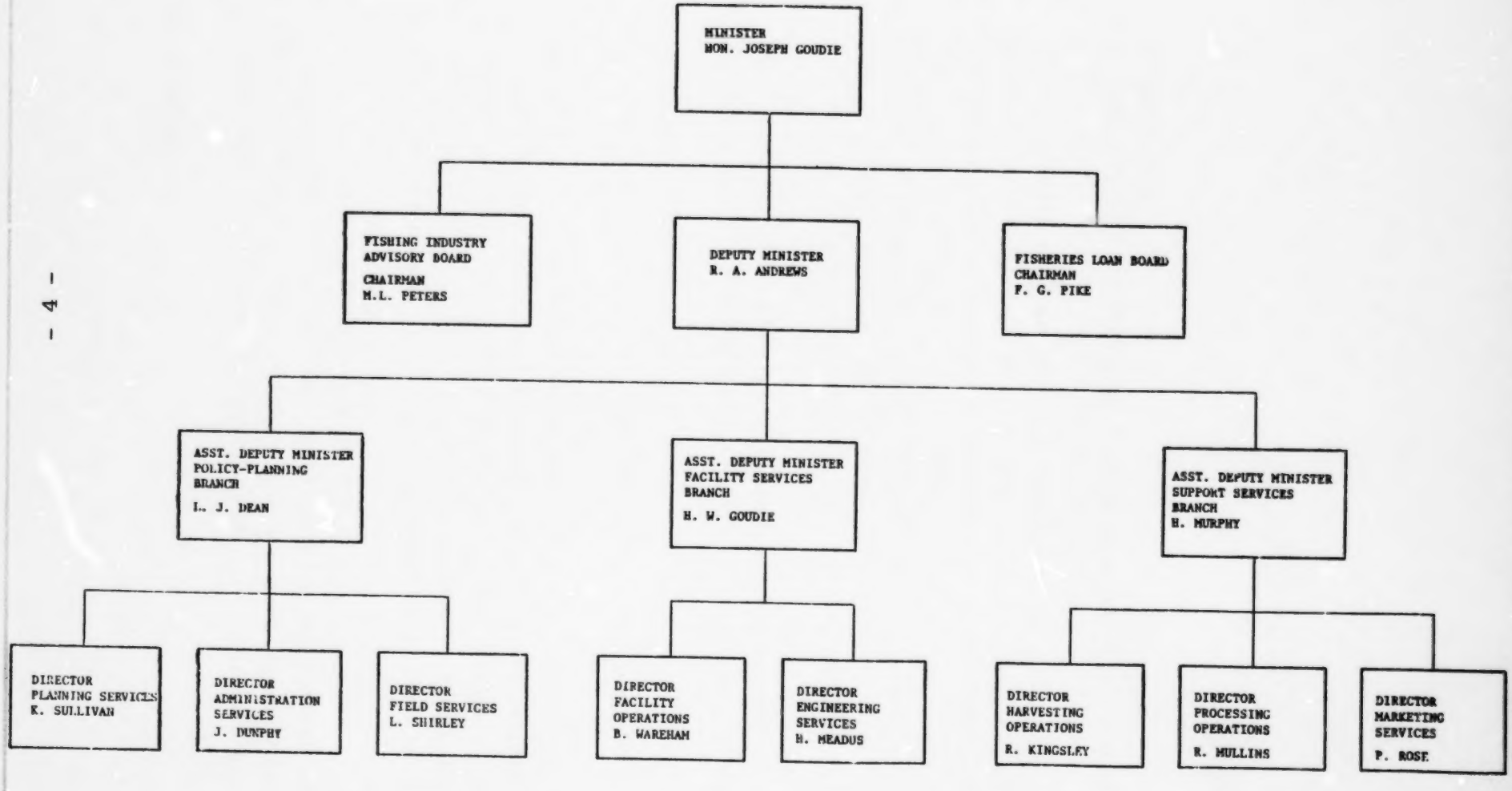
- The Honourable Joseph Goudie was appointed Minister in October 1984, following the resignation of the Honourable James Morgan.

- Mr. Leslie J. Dean, who formerly held responsibilities as Assistant Deputy Minister (Development) assumed the duties of Assistant Deputy Minister (Policy Planning) in 1984.

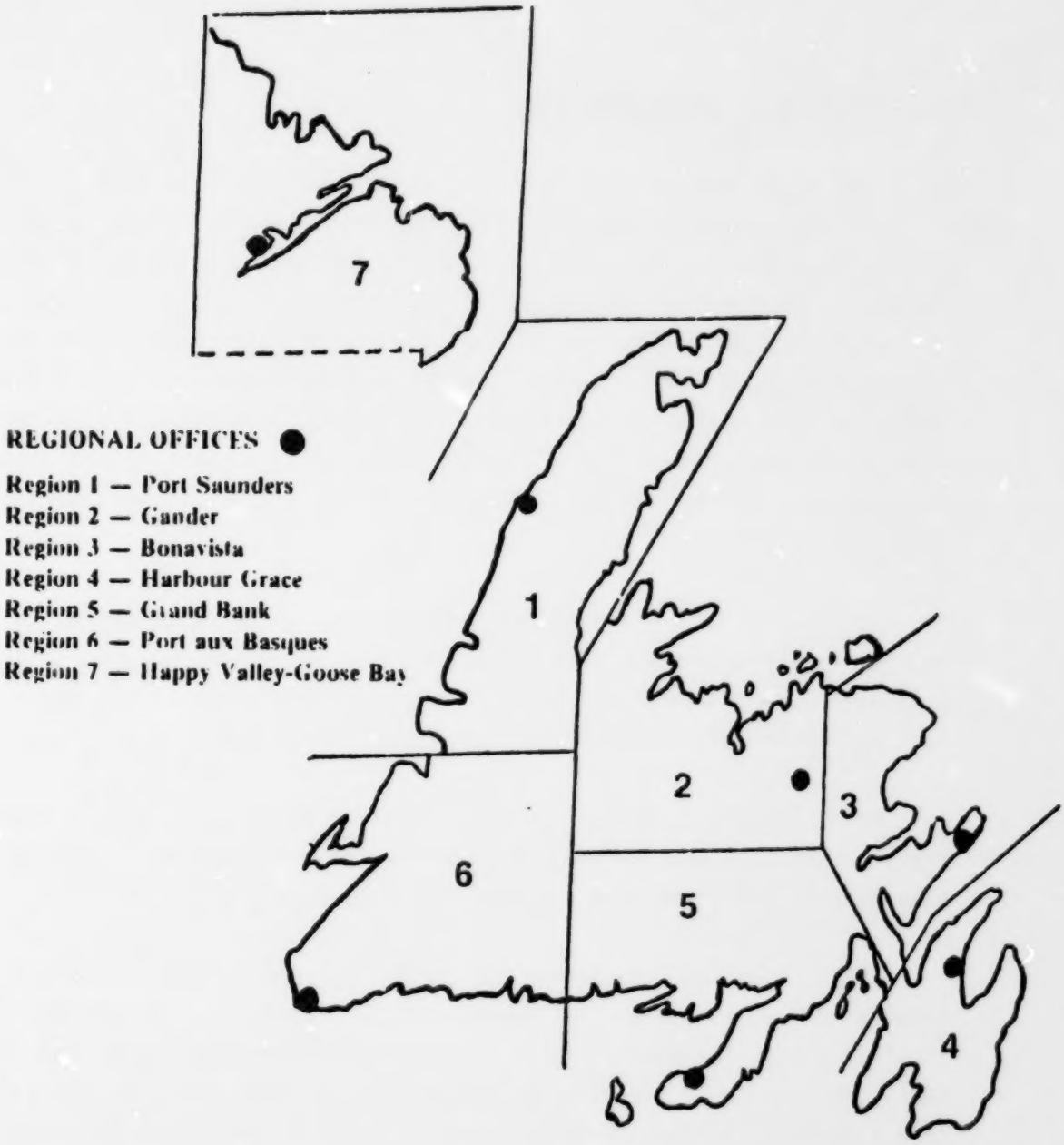
- Mr. Harold Murphy, (Director of the former Fishing Operations Division) was appointed the Assistant Deputy Minister of the Industry Support Services Branch in June, 1984.

- Mr. Karl Sullivan was appointed Director of Planning Services in November, 1984.

DEPARTMENT OF FISHERIES - ORGANIZATION CHART*



* as of December 1984.



REGIONAL OFFICES ●

Region 1 — Port Saunders
Region 2 — Gander
Region 3 — Bonavista
Region 4 — Harbour Grace
Region 5 — Grand Bank
Region 6 — Port aux Basques
Region 7 — Happy Valley-Goose Bay

III. OVERVIEW OF THE FISHERY 1984

The volume and value of seafish landings declined from 1983. This decline was mainly attributable to the trawlermen's strike against Fishery Products International Ltd., which resulted in a tie-up of that Company's trawlers and a closure of their offshore processing plants from July through to the end of the year. Ice conditions during the spring restricted the performance of the inshore fishery in many areas along the east and northeast coasts. The continued decline of the crab fishery in the southern zone remained a matter of concern, although developments in the northern zone served to stabilize the overall performance of this fishery.

The impact of low groundfish landings was partially offset by the caplin fishery in areas of Conception, Trinity and Bonavista Bays. With increased market demand and higher prices, landings and landed values were up significantly over 1983. The squid fishery remained poor.

Most inshore processing plants experienced a good year. The Resource Short Plant Program enabled 19 inshore seasonal plants to extend their operating season during the early spring.

The U.S. groundfish market was generally weak early in the year because of a build-up of inventories. However, this situation stabilized and, for some products, showed improvement towards the end of 1984. Rising U.S. protectionism has led to countervailing actions and this remained a matter of great concern. Efforts continued to expand the province's markets for fish products with an increased emphasis on the Far East.

TABLE I: LANDINGS/LANDED VALUE - 1984

SPECIES	MT'S	(+,-1983)	$	(+,-1983)
Cod	236,255	-58,791	81,768,694	-18,541,064
Haddock	1,178	+463	395,542	+146,930
Redfish	18,476	+1,018	3,383,570	+21,013
Halibut	222	-15	329,605	-19,987
Flounder/Sole	49,537	-2,125	13,264,761	-741,998
Greenland Turbot	19,061	+616	4,989,294	-323,974
Pollock	1,249	+175	180,036	+1,758
Hake	477	+22	61,868	+1,219
Catfish	1,318	-2,261	253,080	-407,971
Lumpfish	-	-	-	-
Other	5	-1	1,130	-106
GROUNDFISH TOTAL	**327,778**	**-60,899**	**104,627,580**	**-19,864,180**
Herring	6,768	-2,633	1,461,860	-524,822
Mackerel	5,205	-3,103	742,325	-1,084,848
Salmon	721	-308	2,584,511	-969,469
Skate	8	-3	381	-200
Smelts	10	+1	6,882	-1,428
Caplin	41,026	+11,226	9,032,854	+3,427,151
Char	171	-27	152,579	-17,785
Trout	25	+6	28,902	+5,132
Dogfish	1	+1	71	+71
Other	26	-2	74,072	+42,224
PELAGIC TOTAL	**53,961**	**+5,158**	**14,089,437**	**+876,026**

SPECIES	MT'S	(+,-1983)	$	(+,-1983)
Clams	-	-	-	-
Mussels	-	-	-	+736
Scallops	470	-244	584,649	+318,700
Squid	311	+306	99,447	-98,675
Lobster	2,118	-285	11,880,468	-54,459
Crab	10,240	-880	7,328,210	-3,084,882
Shrimp	2,696	-1,387	3,085,710	-1,696,530
MOL + CRUS. TOTAL	**15,835**	**-2,490**	**22,978,484**	**-4,615,110**
GRAND TOTAL	**397,574**	**-58,231**	**141,690,501**	**-23,603,264**

SOURCE: Department of Fisheries and Oceans

1984 Figures are preliminary and subject to revision.

IV. POLICY CONSIDERATIONS

The Government of Newfoundland and Labrador has sought through constitutional reform the establishment of concurrent jurisdiction with the Federal Government over fisheries. Under the Province's proposal the Federal Government would have:

> "paramount authority regarding international negotiations, surveillance, international enforcement, basic research, conservation and the determination of total allowable catches, inspection and quality standards for export and licensing of foreign vessels." The Province would have "paramount authority regarding harvesting plans, the allocation of its share of fish stocks, the licensing of its own fishing boats, inland fisheries, aquaculture, marine plants and sedentary species."

While constitutional reform has not been achieved in the fisheries sector, the Government of Newfoundland and Labrador has continued to seek full participation in broad policy issues and to propose policy initiatives consistent with the Province's broader objectives for the development of the fishing industry. Long-term planning by the Province is difficult under the existing regime in fisheries, and until a better accommodation is achieved, efforts will continue to be largely directed to reacting to federal policy initiatives rather than developing and instituting policies and programs which are reflective of the Province's objectives for the fisheries sector, especially from regional development and resource management perspectives.

The Department and the federal Department of Fisheries and Oceans worked together on a number of initiatives, including the Northern Fisheries Development Corporation, the Resource Utilization Task Force and the Quality Improvement Program. No final agreements were revealed during the year on the proposed Northern Fisheries Development Corporation and the Quality Improvement Program but considerable dialogue did transpire on all three issues.

Discussions were held with the federal Department of Fisheries and Oceans, often in a multilateral forum with the other Atlantic Provinces, on a number of important issues which impact upon the Province's fishery policy objectives. Those included the Atlantic Groundfish Management Plan, Atlantic Salmon Management, enterprise allocations in the offshore fishery, the Resource Short Plant Program, over-the-side and over-the-wharf sales, and sector management. There was no change in policy, from 1984/85, with respect to these issues, although there appeared to emerge an agreement in principle on the movement towards the leasing of enterprise allocations to the offshore fleet. The Resource Short Plant Program has deviated from the original program intent, although the Department has consistently supported the program guidelines as laid down by the Task Force on Atlantic Fisheries. The current federal policy is being reconsidered.

The Government of Newfoundland and Labrador, especially through the Department of Fisheries, continued to voice the concern that substantial portions of the contiguous fishery resources are not being utilized fully to the benefit of Newfoundland, and to other parts of Canada. Foreign fishing outside 200 miles has prevented the full restoration of the Grand Banks cod stock, and stocks in the Flemish Cap area. The Province has stressed the necessity of extending the Canadian exclusive economic zone as a means of ensuring the conservation of fish stocks both inside and outside 200 miles. The Province continued to oppose the foreign allocation of non-surplus stocks within 200 miles in 1984.

V. POLICY PLANNING BRANCH

The Policy Planning Branch is composed of the Planning Services Division, the Field Services Division and the Administration Services Division.

PLANNING SERVICES DIVISION

The Planning Services Division provides economic, statistical, and financial research and analysis in support of policy and program issues and is responsible for formulating appropriate policies and programs in specific areas.

General Activities

1. Development and assessment of Departmental policies and programs.
2. Analysis of the impact of various Federal policies/programs.
3. Monitoring and analysis of international developments which impact upon the fisheries.
4. Review of Department programs.
5. Assessment of applications under the Fishing Industry Deficiency Loan Program as well as requests for other forms of Government financial assistance.
6. Assessment of processing licence applications,
7. Ongoing development of the Department's management information system.
8. Representing the Department on various interdepartmental and intergovernmental advisory, assessment and management committees.

FIELD SERVICES DIVISION

The Field Services Division provides communication and liaison between the Department and the industry at large through decentralized field service offices.

A. Office Locations

(1) Regional Offices staffed by Regional Supervisors are located at Port Saunders, Gander, Bonavista, Harbour Grace, Grand Bank, Port Aux Basques and Happy Valley.

(2) Field representatives are located at St. Anthony, La Scie, Harbour Grace, Marystown, Lourdes and Mary's Harbour, Labrador. The field representative position at Twillingate remained vacant in 1984.

B. General Activities

Field Staff worked with Fishermen's Committees and Regional Development Associations in the planning and implementation stages of projects such as the construction of new fishing facilities and the repair of existing facilities through Canada Works and other programs. Other activities included:

- Providing up to date information on fishing activities around the Province.
- Interaction with Fishermen's Committees.
- Monitoring prices paid to fishermen for lobster for the Fishing Industry Advisory Board.
- Monitoring and reporting on fishing gear and equipment losses due to storms, ice, whales, etc.
- Participating in fisheries information functions held by various schools.
- Gathering information on fishing vessel loans.
- A survey of 1984 catch failure relating to fishermen and plant workers U.I.

C. Loan Board Support

Approximately 1,000 investigations and field reports were completed in response to applications to the Fisheries Loan Board for loans and bounties. The Division provides these reports in support of the Board's activities on an ongoing basis.

D. Inshore Fish Distribution Program

Although directly attributable fish transfers were down, many of the transfers which took place resulted from the network of contacts established by the Program. Throughout the season the program had substantial input by informing fish processors and fishermen of ongoing harvesting and processing activity and co-ordinating the placement of vessels in over-the-side and over-the-wharf sales programs.

ADMINISTRATION SERVICES DIVISION

The primary mandate of the Administration Services Division is to provide financial and personnel management services to the Department. Specifically, the Division:

- develops and maintains appropriate accounting systems to facilitate all financial transactions of the Department;

- co-ordinates all departmental interaction with Treasury Board on budgetary and staffing matters, including preparation of the annual/interim budget;

- co-ordinates departmental interaction with the Public Service Commission on staffing matters including staff training;

- exercises responsibility over the departmental registry.

VI. FACILITIES SERVICES BRANCH

The Facilities Services Branch is composed of two divisions, the Engineering Services Division and the Facility Operations Division.

ENGINEERING SERVICES DIVISION

The Engineering Services Division administers and implements the Department's ongoing capital construction program for fishery related infrastructure.

A. Budget

The total budget for the year was approximately $5.1 million, an increase of approximately $1.8 million over the previous year. Of this total amount, approximately $3.8 million was allocated for new capital works and $1.5 million was allocated for maintenance and repair.

B. New Marine Service Centre

A total of $1.53 million was expended on the construction of a new Marine Service Centre at Triton, Green Bay. Construction was expected to be completed late 1985. A 150 ton straddle crane was put in operation during November, 1984.

C. Other Capital Works

(1) Forty-three (43) contracts were awarded for a variety of projects throughout the Province. These included the construction of baited trawl facilities at Ramea, Garnish and Cripple Cove and the supply and installation of baited trawl units at Grand Bruit, Bay Bulls, Little Harbour East, Aquaforte and Burnt Islands. In addition, a fresh water supply was made available to the ice maker at Port Saunders; a salt water supply to the fish plant at Piccadilly; and the Cartwright Marine Service Centre wharf was upgraded. Upgrading was to be carried out at Marine Service Centres at Port Saunders, Bonavista and Harbour Grace and, at the Heart's Content Marine Haulout.

(2) Ninety-three (93) grants, usually to a maximum of $5,000 each, were awarded to fishermen's committees, regional development associations, and other community organizations to assist in the acquisition of materials and special services for the construction of various fisheries facilities. These grants were awarded to supplement funding obtained from other sources for these projects.

(3) Approximately 27 fisheries access roads - roads which provide access to various onshore fisheries facilities - were upgraded. The Department of Transportation was normally engaged to undertake projects of this nature.

(4) Plans to construct four new regional ice making facilities were held in abeyance when a cost shared agreement for this purpose could not be reached with the Federal Government.

FACILITY OPERATIONS DIVISION

The Facility Operations Division administers the leasing, maintenance, and operation of Departmental Marine facilities throughout the Province including the interim management of the Northern Labrador fish plants.

A. Marine Service Centres

(1) Overall activity at the 19 centres was sustained and on a par with previous years. Approximately 2,100 vessels were handled for servicing and some 890 were stored for the off season.

(2) The new centre at Triton became operational late in the year; 24 vessels were provided winter storage.

(3) All 50 and 60 ton straddle cranes were equipped with load gauges, a move which illustrated that the machines had been handling vessels in excess of their capacity. To address the problem of

lifting larger vessels, the Department decided to purchase three 70 ton straddle cranes. These machines were to be installed at Port Saunders, Bonavista and Harbour Grace early in 1985.

(4) Towards the end of the year, a system was implemented to deal with the problem of abandoned vessels at Centre storage areas and it is anticipated that most of these vessels will be disposed of by 1986.

B. Ice Making Facilities

The regional ice making facilities at Bonavista, Old Perlican, Durrell and Port Saunders operated quite smoothly in 1984. Ice was sold to fishermen at $10.00/ton and to non-fishermen at $15.00/ton. The following quantities of ice were sold:

Bonavista	- 1095	tons
Durrell	- 292	tons
Old Perlican	- 351	tons
Port Saunders	- 1166	tons
TOTAL	2904	tons

C. Refrigeration Installations

The refrigeration technican was kept busy maintaining, installing, and/or repairing the approximately 80 units located throughout the Province. Seven (7) new baited trawl holding units were installed in 1984 located at Grand Bruit; Little Harbour, P.B.; South East Bight; Isle aux Morts; Ramea; St. Bride's; and Burnt Island.

D. Labrador Barge

Approximately 40 transient longliners fished in the vicinity of the barge during 1984 and availed of the barge's various services (ice, washers, dryers, showers, washroom facilities, fuel and groceries). In addition, another 25 vessels were serviced in passing through the Smokey area.

E. Leasing of Facilities

Fifty-eight (58) facilities were leased to the private sector mainly for use as fish processing and/or handling operations. In addition, a lease/purchase concept was developed whereby leased Government-owned facilities could be sold outright or purchased over a period of years.

F. Maintenance of Facilities

Regular inspections of all Departmental facilities were undertaken by the Marine Service Centre Regional Supervisors and a formalized inspection record was forwarded to head office for further follow-up.

G. Labrador Fish Plants

(1) The processing plants at Makkovik and Nain and the feeder operations at Hopedale, Postville and Davis Inlet operated from July to October and produced 850,000 lbs. of salmon, char, scallops and codfish. Approximately 200 plant workers were employed and 280 fishermen serviced.

(2) A point-of-sale grading project was conducted as a pilot project at both plants utilizing standards devised by the Federal Department of Fisheries and Oceans in consultation with the Provincial Government, Industry and Labour. Eight employees were involved with this project and received their initial training from the College of Fisheries.

(3) All product (excluding saltfish) was marketed through Fishery Products International and under a special agreement the saltfish was sold through an over-the-wharf sales arrangement.

VII. INDUSTRY SUPPORT SERVICES BRANCH

The Industry Support Services Branch incorporates the Harvesting Operations Division, the Processing Operations Division and the Marketing Services Division.

PROCESSING OPERATIONS DIVISION

The Processing Operations Division administers and co-ordinates all activities relative to the Province's Fish Inspections Act and provides technical and financial assistance to the processing sector.

A. Quality Enhancement

(1) Point-of-sale grading was conducted on landed catches of the M.V. Glen Clova which had been stowed in both bulk-shelving and boxes. The results showed a significant increase in the amount of Grade A fish from use of the boxing method.

(2) Point-of-sale grading was conducted on groundfish landed at the Department's Northern Labrador plants. As part of this program, an educational package was presented to fishermen informing them of the quality program to be implemented. In addition, the salmon and char fishery were studied to determine the requirements for improving quality.

(3) In the Port-aux-Basques area, point-of-sale grading was carried out at two plants to determine the quality status of the winter fishery. Information obtained from this study will be used to encourage fishermen to adopt improved onboard handling procedures as a means to improve landed quality. Several vacuum unloading systems were also monitored to determine the impact on landed quality.

(4) An in-plant study was completed to determine the impact of the degree of parasite infestation in groundfish on final product grades. The results of this study will be available in 1985.

B. Engineering and Technical Services

(1) A liquid line stabilizer system was installed on a plant refrigeration system at St. Joseph's, St. Mary's Bay. This system is designed to produce energy savings during the operation of the refrigeration system. Monitoring of the system will be carried out during 1985.

C. Product Research and Development

(1) A caplin nobbing machine was tested in Germany with positive results. This machine is now being considered for use in the Province. Studies are also being carried out in conjunction with a local processor to improve smoked caplin products.

D. Licencing

(1) Licences Issued:

Processing Licences	- 209
Buyers Licences	- 212
Shellfish Buyers Licences	- 124
TOTAL	545

MARKETING SERVICES DIVISION

The Marketing Services Division provided market development and promotion assistance to the fishing industry and maintained a current profile of developments in existing and potential markets.

A. Trade Shows

(1) The attendance of groups of Newfoundland fish companies at trade shows in Chicago, Boston, Los Angeles, New York and Dallas was co-ordinated. At Seafood Expo '84 held in Chicago during September, the Province unveiled its new display system which is designed to offer participating companies individual

booths, onsite cooking and preparation facilities, a meeting room, and a generic display system. The development of this system was a joint effort with the Provincial Department of Development.

(2) The Department display at Marine '84 in Gander in November was organized and co-ordinated. The display booth illustrated many of the Department's functions and services and was well received.

B. Seafood Promotions

For the second consecutive year, a Newfoundland Seafood festival was held at the Mayfield Inn in Edmonton, one of the leading promoters of seafood in the Canadian hospitality industry. The hotel printed special menus, featured Newfoundland seafood in its six restaurants and dinner theaters and advertised the festival extensively in the local media. Newfoundland seafood was shipped to Edmonton by air on a regular basis. As part of fish and seafood month celebrations in November,a similar event was held at the Westin Hotel in Ottawa. Both events provided for increased exposure of Newfoundland seafood in the Canadian market and were well received by the respective hotels and clientele. Requests have been received to hold similar promotions at these sites in 1985.

C. Consolidated Marketing

As part of the ongoing policy to encourage consortium - type or group approaches to the marketing efforts of Newfoundland seafood producers - a $10,000 operation assistance grant was provided to the Independent Fish Producers Association. Over the past few years the Association has successfully developed its own "Sun Sea" brand which is now being well accepted and effectively marketed in the United States.

D. Marketing Assistance

(1) A $50,000 marketing and development grant was provided to the Canadian Sealers Association (CSA). The Department actively supported the CSA and worked closely with this group on a variety of projects and committees aimed at the continuation of the seal fishery and the further development of its potential.

(2) Grants were provided to two local processors for in-store product demonstrations across the island.

E. Fisheries Marketing Assistance Program

Twenty (20) Newfoundland seafood companies were given assistance to attend trade shows in Dallas, Chicago and Boston. In line with the Department's policy of encouraging corporate participation at national and international seafood trade shows and exhibitions, this program provided financial assistance to defray travel and accommodations costs.

F. Seafood Donations

Donations of seafood were provided to a variety of associations and groups involved in hosting or participating in national events.

HARVESTING OPERATIONS DIVISION

The Harvesting Operations Division undertook program activity relative to vessel development, harvesting technology innovation, and resource utilization with a view to improving the viability of the harvesting sector.

A. Middle Distance Longline Fishing

Although hampered by ice conditions during the spring and poor weather during the fall, the Department's 90' autoliner, the "Glen Clova", had a fairly successful year landing in excess of 1.5 million lbs. of northern cod in 22 fishing trips from late April to early November of 1984. This was the second year of operation for this vessel which was acquired by the Department to evaluate the viability of the longliner fishery. The vessel was operated under lease to Capt. Jim Short of St. Anthony.

B. Omnidirectional Color Sonar

A newly developed omnidirectional color sonar was installed on a 53' purse seiner to evaluate its effectiveness in the local mackerel fishery. While successful in detecting mackerel and herring, in shallow waters of 10-20 fathoms where much of this fishery takes place, there proved to be no operational advantages over the existing "searchlight" sonar. However, similar units on larger vessels have demonstrated significant fish detection advantages of an omnidirectional system for other species under different circumstances.

C. Resource Utilization - Eels

Approximately 75,000 lbs. of both "silver" and "yellow" eels were taken on the West Coast and in Central Newfoundland in 1984. Prices paid to fishermen ranged from 45 - 70 cents per lb. For the

past several years, the Department has encouraged and promoted the "silver" eel harvest through resource assessments, the provision of gear and technical assistance to interested fishermen, and liaison with plants with respect to processing and marketing.

D. Fishing Methods and Gear

(1) A square mesh codend was introduced aboard the offshore trawler fleet fishing northern cod. Results indicate that square mesh is more effective in releasing small fish than the traditional diamond mesh.

(2) Commercial fishing trials were carried out on a bottom trawl made from webbing using kevlar filament. Catch rates were excellent and measurements indicated that fuel savings can be realized when the net is matched with an otterboard of appropriate dimensions.

(3) Commercial fishing trials of bottom trawl bridles using kevlar with a hytrel plastic coating indicated suitability and significant life-span advantages over the presently used steel cable.

E. Vessel Development

(1) As part of ongoing efforts to improve fishing vessel sea-keeping characteristics, a set of outrigger stabilizers was designed and installed on a 37' foot fibreglass vessel operating in St. Mary's Bay. Initial results were positive and additional sea trials will be carried out. A discussion paper on this subject was presented at Marine '84.

(2) Under the continuing fuel efficiency program, 10 vessels were fitted with speed log/fuel meter systems to demonstrate fuel efficient operation of fishing vessels. This program was partially funded by the Department of Mines and Energy.

(3) Approximately 80 sets of drawings for vessel designs were provided upon request to fishermen. Three new vessel designs, - two 45' wooden longliners, wheelhouse forward and wheelhouse aft arrangements and a 50' wooden vessel were added to the files.

F. Aquaculture

1. Salmon: To demonstrate the viability of establishing a commercial salmon farming industry in the Province, salmon cage culture activities were conducted in five areas: Holyrood Pond; Baine Hr., P.B.; Bay L'Argent, F.B.; Little Bay, Marystown; and St. Alban's. The first four sites were stocked with approximately 330 smolt each while the St. Alban's site was stocked with 129 kelts. Following some early mortalities, the majority of remaining fish experienced a good weight gain. The cages on the Burin Peninsula were submerged for overwintering while an onshore holding tank was constructed at Holyrood Pond. Demonstrations were to continue in 1985.

2. Scallops: A small number of spat collectors were provided to interested individuals to test selected areas for scallop culture potential. Currently there are two scallop culture operations in the Province: Little Bay, Marystown and Port au Port Bay.

VIII. FISHERIES LOAN BOARD

The Fisheries Loan Board assists in the development of the inshore fishery through the provision of low interest loans and bounties (grants) to fishermen who meet the eligibility requirements set out in the Acts and Regulations administered by the Board. In addition, technical advice and inspection services are provided to ensure that fishing vessels are constructed and equipped to acceptable standards, and financial advice is provided on present and proposed operations.

A. Loan Program

Loan Approvals for 1984 were:

	No.	Loan Amount	Total Cost
Fishing Vessels over 10.668m (35 ft.)	32	$2,081,000	$2,838,000
Fishing Vessels under 10.668m (35 ft.)	241	2,348,000	3,120,000
Engines and other fishing equipment	306	1,653,000	1,945,000
TOTAL	579	6,082,000	7,903,000

Included in these approvals are eight loans approved under the Bank Loan Guarantee Program for a total cost of $2.4 million. Funding for all loans in excess of $50,000 is obtained through the Chartered Banks with a Provincial Government guarantee and the Board subsidizes the interest on these loans where the interest rate is in excess of the rate charged by the Board. All loans less than $50,000 are processed and funded directly by the Board.

B. Bounty Program

Bounties approved during 1984 were:	No.	Amount
Bounties to assist new construction of small boats 10 tons and less underdeck (usually 35' and under)	233	$361,000
Bounties to assist new construction of large boats over 10 tons underdeck (usually over 35')	8	355,000
Bounties to assist fishermen in the re-building and repair of large boats		

C. General

1. Negotiations with the Canadian Bankers Association for the continuance of the Bank Loan Guarantee Program were concluded in March.

2. Changes were made to Board policy to:
   (a) permit loans for gasoline engines to be placed in open type boats;
   (b) permit loans for two outboard motors for use with the same boat when the combined horsepower does not exceed the maximum allowable for one motor for the specific size boat;
   (c) permit fishermen to apply to the Board for an engine or equipment loan in excess of $50,000 if an existing vessel loan is held with the Board.

3. The Board's senior technical officials undertook a review of the Small Boat Bounty Program which led to updated and formalized construction standards for small fishing vessels less than 10 underdeck tons. Those specifications became effective in November, 1984.

4. Collection efforts were increased through field and telephone contact with fishermen experiencing difficulty making payments on their accounts. The Assignment of Catch Program, which permits the deduction of a percentage of total catch value to be applied to a fisherman's account at the Board, continued to be well received by fishermen.

5. A new simplified application form covering all loans and bounties available came into effect.

6. The Board again participated in Marine '84.

D. Outlook for 1985

The programs of the Board will continue to provide support for the inshore fishing sector of the Provincial economy. It is anticipated that funding levels over the short term will remain at the 1984 level and no significant change is expected in the short term distribution of loans and bounties. Monitoring of accounts to ensure that those who have the ability to make payments on their loan accounts do so will continue. Where individual situations warrant, any number of special arrangements may be examined by the Board's account counsellors.

IX. FISHING INDUSTRY ADVISORY BOARD

The Fishing Industry Advisory Board conducts cost analysis on all sectors of the fishing industry and monitors trends in the international marketplace for Newfoundland fish products.

A. Harvesting Sector

1. Collection of data on harvesting operations continued with surveys being carried out on a broad sample of inshore fixed gear fishermen. The results are being compiled and analyzed to determine the economic viability of the various aspects of the inshore fishing sector.

2. An Agreement was entered into with the Federal Department of Fisheries and Oceans to combine the Federal Government's and the Board's survey for 1985. Under the Agreement, survey preparation, field administration and the sharing of the raw data will be a joint venture. Data collected will be used by each party according to the needs of its mandate.

B. Processing Sector

1. The collection of production, sales and information on other factors affecting plant profitability continued. The questionnaire submitted to the processing sector was enlarged to provide more relevant data on the costs of producing specific packs of various species. In collecting this data, increased emphasis was placed on field contacts to increase the credibility of problem analysis.

2. In conjunction with the Department of Fisheries and Oceans Marketing Directorate (Ottawa), the Board held a seminar for cost accountants from various plants focusing on the adaptability of the micro computer to the accounting systems of small and average size processing operations.

C. Marketing

1. In addition to continuing to provide market information to the Minister and Senior Department officials, the Board began producing Market Update, a monthly publication designed for use by Newfoundland processors selling into various market places.

2. To increase the scope and reliability of its market monitoring activities, the Board established a network of reliable contacts in the U.S. and Europe. A close working relationship was established with the Department of Fisheries and Oceans Marketing Directorate in Ottawa. Board marketing personnel attended trade shows in the U.S.

3. Monitoring of the Boston market price for lobster as well as prices paid to local fishermen during the lobster season continued. The resulting information was made available to all interested parties.